

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 2, 2015

TO: Supervisor Peggy Romo-West, Chair, Committee on Health and Human Needs
Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor Theodore Lipscomb, Sr., Co-Chair, Committee on Finance, Personnel and Audit

FROM: Maria Ledger, Director, Department of Family Care

SUBJECT: Informational memo on the Governor's proposed 2015-2017 budget

I am writing to inform you of provisions with the Governor's proposed 2015-2017 budget pertaining to Family Care. The Wisconsin Family Care Association has prepared the attached summary of the changes.

The following people and agencies in Milwaukee County will potentially be impacted by these changes to Family Care:

- 8,060 people served by the Milwaukee County Department of Family Care (MCDFC) and 8,558 people are served by other MCOs or IRIS in Milwaukee.
 - Members will likely have to enroll in a new MCO and may have to change either their long term care provider, their health care provider or both.
- Over 70 MCDFC staff at MCDFC.
- 18 community agencies in Milwaukee County who provide care management services to MCDFC. These agencies employ over 300 care managers, nurses and support staff.
- Over 1,600 community agencies the MCDFC network.
 - Most of these are locally owned and operated and many of them are small businesses who depend solely on Family Care for their livelihood.

There are no savings in this budget attributable to these changes. The only savings noted in the budget was already accounted for by the 2015 Family Care expansion to the Northeast area of Wisconsin.

It is not known what action the legislature may take on the budget, nor if Wisconsin will receive federal approval from CMS for these proposed changes. If the bill passes as it is currently written, services to over 52,347 older adults and people with disabilities in Wisconsin will likely be overseen by a new entity. This new entity or entities will provide both the long term care as well as the acute and primary medical care (physicians, medications, hospitalizations) to older adults and people with disabilities in all 72 counties in Wisconsin without having to submit a competitive proposal to the State.

Family Care has demonstrated year after year that it is the most cost effective option and delivers high quality services. Most recently, the MCDFC member satisfaction surveys show:

- **94.50%** of members state they can contact their team when needed “Always” or “Most of the Time”
- **96.10%** of members state their team treats them with courtesy and respect “Always” or “Most of the Time”
- **94.00%** of members rate the help they receive from their team as Excellent, Very Good or Good and
- **94.50%** of members would recommend MCDFC Family Care to friends and family

In a 2010 report (<https://www.dhs.wisconsin.gov/publications/p0/p00244.pdf>) for the State Department of Health Services (DHS), APS Healthcare said “In recent years, MCDFC has been among the most financially stable of the Family Care MCOs.”

Cc: County Executive Chris Abele
Raisa Koltun, Chief of Staff, County Executive’s Office
The Milwaukee County Board of Supervisors



MEMO

TO: Interested Parties

FROM: The Wisconsin Family Care Association
Contact: Michael Blumenfeld 608-257-1888

DATE: February 26, 2015

SUBJECT: Proposed changes to Wisconsin's Long-term Care System in the 2015-17 state budget

The Wisconsin Family Care Association (WFCA) is writing to you today to provide information related to the potential impacts of Governor Walker's biennial budget proposal related to the Family Care program and, more broadly, to Long-Term Care support delivery in the State.

The biennial budget language in Governor Walker's proposal for the Family Care program would substantially alter its delivery into the future. This is arguably the most significant public policy change in the history of Wisconsin's Long Term Care service system. There are several areas of change contained within Governor Walker's proposal for Family Care:

- Statewide implementation of Family Care to all counties by January 1, 2017.
- Primary and Acute Care services would be included in the Family Care benefit package, along with the Long-Term Care services currently provided.
- Long-Term Care Districts such as ContinuUs, Community Care Connections of Wisconsin, Lakeland Care District and Western Wisconsin Cares would be required to dissolve (end business) by June 30, 2017.
- Any Care Management Organization (CMO) that provides services in the new system would have to be certified to provide services statewide, and would have to be licensed as a Health Maintenance Organization (HMO). The reserve requirements necessary to provide statewide service are significant. No current MCO in Wisconsin has the ability to meet this capitalization requirement.
- Members transferring between Care Management Organizations would only be allowed to do so during an open enrollment period that occurs once yearly. Currently, member transfers are allowed at any time.
- Oversight of the Family Care program would move from the Department of Health Services to the Office of the Commissioner of Insurance.

Wisconsin Family Care Association

Care Wisconsin ■ Community Care Connections of Wisconsin ■ Community Care ContinuUs ■ Independent Care Health Plan ■ Lakeland Care District Milwaukee County Department of Family Care ■ Western Wisconsin Cares



- Implementation of the new model would occur very quickly as proposed. In comparison, Family Care was piloted in five (5) counties for eight (8) years prior to regional expansion.
- Current law requirements that MCOs contract with any local business wishing to provide Family Care services is eliminated.

Other changes included in the Governor's Budget that affect the long-term care system:

- Elimination of the Include, Respect, I Self-Direct (IRIS) program, a program that currently supports more than 11,000 people statewide. All self-direction would be supported within the new Family Care program.
- Significant changes to the operations of Aging and Disability Resource Centers.

If the budget language stands as proposed, four Managed Care Organizations serving more than 17,000 Family Care members would be required to close their doors by mid-2017. People with disabilities and frail elders would be impacted significantly by the movement from a person-centered and community-centric model of long-term support toward a medically-focused and insurance-based model. Wisconsin's Family Care program is a recognized national leader in the delivery of managed long-term care services that focuses on independence, supporting meaningful community-based lives, and cost-effectiveness. The program has increased access, reduced waiting lists, improved quality, enhanced choice, and reduced per member costs significantly since its inception. This long history of innovation and program excellence is jeopardized by the proposed state budget.

The Wisconsin Family Care Association welcomes the opportunity to discuss this matter with stakeholders in more detail and to answer any questions you may have about the Family Care program.

Any significant changes to Wisconsin's community-based long-term care program should include engagement of its many stakeholders who have invested so much to create a nationally respected program.

Thank you for your time and attention to this important matter.

Wisconsin Family Care Association

Care Wisconsin ■ Community Care Connections of Wisconsin ■ Community Care
ContinuUs ■ Independent Care Health Plan ■ Lakeland Care District
Milwaukee County Department of Family Care ■ Western Wisconsin Cares